

RUSSIA AND THE WEST IN IRAN

and Company, from Hamburg, and F. Hülshof and Company, from Bremen. The Wollkamm Company, founded in 1850, established branches in Bushire, Bandar Abbas, Bahrein, Basra, Bagdad, and other cities. It tried to monopolize pearl fisheries in the Persian Gulf and to obtain several concessions from the Iranian government. Die Persische Teppichgesellschaft A.G. (Petag) from Berlin, with a capital of ten million marks, was active in the production and marketing of Persian rugs.

In 1907 the Hamburg-Amerika Line inaugurated service between the ports of Germany and the Persian Gulf. This introduced a dangerous element of competition to the hitherto unchallenged position of British shipping in these waters. In the same year, after protracted negotiations, the Deutsche Orient Bank obtained from the Iranian government a concession to open branches in Iran with the privilege of issuing silver bullion. Russian and British opposition kept this concession from materializing. However, German banks subsequently attempted to gain influence in the National Bank of Iran, the creation of which had been proposed by progressive politicians of the First revolutionary Majlis.

The German attempts at penetration caused considerable anxiety and alarm in Great Britain. On May 5, 1907, the British government was compelled to issue a warning to Germany. In reply to an interpellation in the House of Lords, Lord Lansdowne, Foreign Secretary, declared that the establishment of a naval base or of a fortified port in the Persian Gulf by a foreign power would be considered a grave menace to British interests. "We should certainly resist it," he said, "with all the means at our disposal."¹

The Anglo-Russian agreement of 1907 temporarily concluded the rivalry between these two powers and consequently rendered German penetration into Iran more difficult. The Germans explicitly recognized this agreement following British and Russian intervention in Berlin. In 1908 Prince von Bulow, German Chancellor, issued a public statement in which he accepted the Anglo-Russian agreement and reaffirmed the German hands-off policy in Iran. This statement, made to satisfy Russo-British diplomatic susceptibilities, apparently was not sincere, for Germany continued to penetrate Iran economically. i M. Nakhai, *L'Evolution politique de l'Iran* (Brussels, 1938), p. 40.